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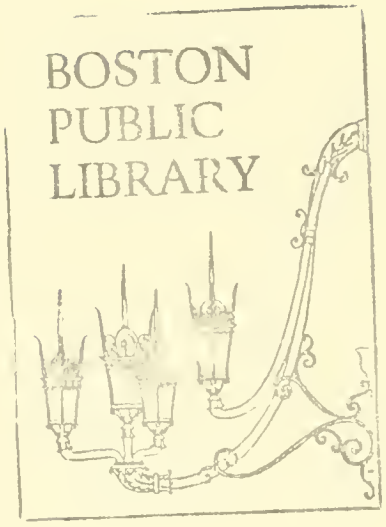
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Policy Issues In the Management of the Downtown Crossing Project

A Demographic Context for Policy Analysis

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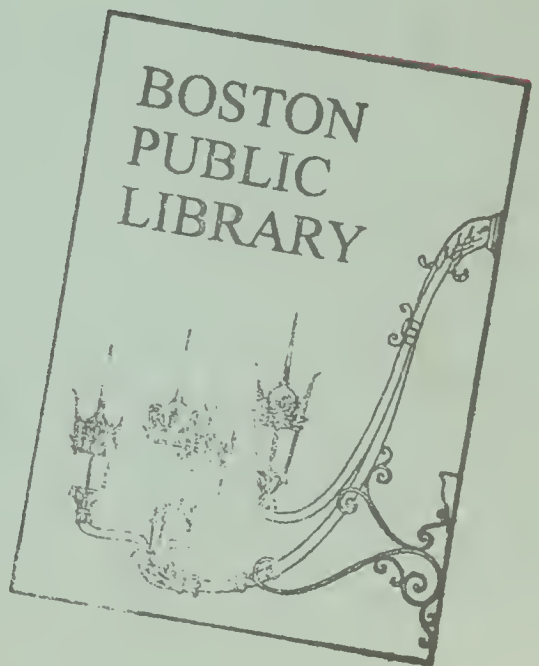

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Downtown Crossing
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POLICY ISSUES IN THE MANAGEMENT OF THE DOWNTOWN CROSSING PROJECT

A DEMOGRAPHIC CONTEXT FOR POLICY ANALYSIS

Matthew A. Coogan
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STAFF DRAFT
FOR
REVIEW ONLY

January 1982

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1.0 INTRODUCTION

The most fundamental question concerning the evaluation of a public action, such as the creation of the Downtown Crossing, (Boston's Auto Restricted Zone) is: "To whom is it relevant?", or more particularly "Who benefits?" The careful examination of this question is a pre-requisite to the answering of later questions such as "Did we do the right thing?" and "What do we do now?" Fortunately, the information gathered in this analysis not only helps to illuminate the basic question of the evaluation of the project to date, but forms a very logical basis upon which to make later policy decisions concerning the future of the project.

This paper is concerned with the policy issues faced by those responsible for managing the Downtown Crossing Project; the Boston Redevelopment Authority, the City of Boston, and the private owners and business people of the project area. The paper focuses on the description of the users of the project area, within the context of an evolution in the nature of the role of Downtown. The paper's prime concern is the variance in behavior among demographic sub-groupings within the total population. This disaggregation of the total market into smaller market segments makes possible improved levels of interpretation of present behavior, and (ultimately) will be useful in the prediction of future behavior.

The paper examines these variations among sub-groups concerning two subjects relevant to the Downtown Crossing Project: (1) walking and the quality of the environment for the pedestrian; (2) shopping in the Downtown area. The latter is examined in terms of three phenomena: ATTITUDE, TREND, and PRESENT SHOPPING.

The paper attempts to integrate the results of on-going consumer research about the use of Downtown Boston with the requirements of actual policy decisions being made about the future of the Downtown Crossing Project. At each juncture the paper asks the question "To whom is the action relevant?" and "What groups will be affected most by each decision?"

The paper is the result of market research undertaken by the two authors as part of the Boston Redevelopment Authority's Downtown Crossing Project, supported by a Grant from the Service and Methods Demonstration Program of the Urban Mass Transportation Administration. The authors are indebted both to the management of the BRA, and to the UMTA staff, particularly

Mr. Joseph Goodman, Project Monitor for the Downtown Crossing. The final draft was produced by the first author, who bears all responsibility for interpretations made in the text. The Market Segmentation process described in Section Six was developed entirely by the second author, under contract to the BRA.

2.0 PUBLIC ATTITUDES TOWARDS WALKING, AND THE WALKING ENVIRONMENT

Do Bostonians Value Improvement to Walking Conditions?

Downtown Crossing is fundamentally an improvement in the physical amenity environment to be experienced by those on foot, particularly those who have come by transit. A reasonable question is the extent to which Boston's tax payers value the quality of the walking environment, and specifically the Downtown environment.

In a survey done for the City in 1977 by Hart Research Associates,[1] Boston residents were asked to volunteer positive aspects about living in Boston. The results were significant. The four most often volunteered responses were:

1. "Convenience of everything, easy to get around, can walk many places" (32%).
2. MBTA is good; can get anywhere on it; good transportation (23%).
3. Cultural events, theater, music, museums, art (20%).
4. Good shopping, convenient, varied.

These were the first four ranking comments volunteered by Boston residents. The fact that Boston is a "walking City" is known, understood and appreciated by its citizenry. The combination of comments 1, 2 and 4 provide an important context for undertaking an improvement like the Downtown Crossing.

2.1 Variations in Attitude by Demographic Category's

The Hart Poll (1977) study does show variation in use of these four comments by several demographic categories. Concerning comment #1, it was volunteered most often by Irish respondents (42%); followed by Italians (38%); White Collar workers (38%) and professionals (35%). It was mentioned least often by Chinese (14%), Blacks (18%) and students.

The MBTA (Comment #2) was praised most often by Irish (32%) and White Collar workers (25%); it was praised least by Blacks (17%), Hispanics (16%) and students (17%).

Praise of Shopping (comment #4) was volunteered most by Italians (28%) and least by Hispanics (6%), students (8%) and Blacks (10%).

2.2 Who Walks - Variation by Geographic Area

The fact of the walking trip is one which must be taken into consideration in transportation analysis, for Boston has the highest walking rates (as measured by the Census category "Journey to Work") of any major city in the country. A 1979 BRA Research Department study has determined that about 15% of the City's residents walk to work.[2] This 1979 data implies that Boston's strong rate of walking has continued for the decade since the 1970 Census, which reported a 14.6% rate. That rate, in turn, was higher than the 1960 rate. (Data from 1980 Census is awaited.)

Table 1 shows variation in walk-to-work rates for American cities, and shows that Boston (and Cambridge) ranks highest in the nation in its orientation to walkings.

Significant variations exist by area of residence within the City of Boston. In Mattapan and West Roxbury (suburban type areas of the City) about 5% of the residents walk to work. In close in Charlestown, only 14% of the residents walk to work. But for those residents who actually live Downtown, the percentage who walk to work is extraordinarily high -- most probably the highest in the country. Of those who nearest the Downtown Crossing area, 59% of the residents walk to work. Of those living in Back Bay and Beacon Hill, 47% walk to their jobs. In the Kenmore Square/Fenway area, 36% walk to work, and in the South End, 23% walk to work.

Several other studies (Wilbur Smith, 1972)[3] have shown that walking distances in Boston are higher than in other cities. Looking at distance walked from parking spaces, Smith reported an average distance of 895 feet for Boston, vs 670 for Baltimore, 658 for Atlanta, 478 for San Francisco, and 399 feet for Los Angeles.

2.3 Who Walks? Variation by Demographic Category

The strongest determinant of the propensity to walk to work is clearly the location of one's residence, and its proximity to the Downtown business district. But other demographic variables are associated with variation in rate of trip making, using data from the BRA Research Dept. survey.

Race: While 15% of Boston residents walk to work, only about 9% of Blacks and Hispanics do. These groups seem less able to choose their residence to be close to their jobs for a variety of possible reasons.

Household Size: Highest walk rates (23%) for those who live alone. Lowest rates for those with children (11%).

PERCENTAGE OF WORKERS
WHO WALK TO WORK, BY CITY

CITY	CITY RATE (Trend)		SMSA RATE
Cambridge	25.5%		N.A.
BOSTON	14.6%	Up	9.9%
San Diego	13.5%	Up	13.5%
Pittsburgh	12.1%	Down	8.9%
San Francisco	11.1%	Steady	6.2%
Minneapolis	11.0%	Down	6.7%
Washington	10.0%	Steady	6.3%
Philadelphia	9.7%	Down	8.3%
New York	9.6%	Down	8.4%
Newark	9.0%	Down	8.1%
Baltimore	8.8%	Down	6.6%
Chicago	8.7%	Down	7.5%
Milwaukee	8.1%	Down	7.4%
Cleveland	7.5%	Down	5.3%
Seattle	7.2%	Down	4.8%
Detroit	5.4%	Down	4.2%
New Orleans	5.0%	N.A.	5.0%
Los Angeles	4.9%	Down	5.4%
Atlanta	4.9%	Down	2.9%
St. Louis	4.8%	Down	6.8%
Houston	3.2%	Down	4.6%
Dallas	2.7%	Down	2.8%
Anaheim	1.6%	Down	1.6%

Table 1, Showing Variation In Walk To Work Rate By City

from 1970 Census

Education: No strong pattern emerged here, but 19% of college graduates walk to work, vs 15% of the total sample.

Income: The highest level of walk rate (21%) came from the lowest income group, (under $10K) with the lowest (11%) from a middle income group, then increasing to about 19% for those making above $50K.

Occupation: Highest rates were for self employed (30%), physicians (25%), managers and executives (25%), health service workers (24%), and engineers (23%). Lowest rates included mechanics (4%), craftsmen (5%), technicians (7%) and office machine workers (7%). These 1979 observations of walk rates are quite consistent with 1977 data, which showed that 23% of Boston resident who are professionals or executives walk to work, while some 12% of Boston residents with Blue Collar jobs walked to work. What is a revealed is a weak "u-shaped" curve, in which high rates come from the lowest income occupations and from the highest income occupations.

Age: Highest rates for those 16-19 (32%); lowest rates for those 20-21 (10%); finally higher for those above 65 (22%).

3.0 MARKET VARIATION BY GEOGRAPHIC AREA

3.1 Downtown Boston in the Context of Regional Shopping Patterns

Downtown Boston accounts for about 2 square miles of the Region's total, an insignificant percentage of the region's land, with perhaps 1.5% of the region's residential population. As a center of retail activity, its role is substantial: the area attracts some 16% of the regions sales of "shoppers' goods", as determined in the 1977 Census of Retail Trade. Of this, about 12% took place in the Downtown Crossing area, about 3% took place in Back Bay, and about 1.0% took place in the rest of the CBD.[4]

Understanding the division of the region's dollars between various types of shopping areas, and understanding the influence of various demographic forces on those shopping location decisions requires reference to data sources other than the Census of Retail Trade. The BRA's Downtown Crossing Market Analysis Project has utilized a variety of data sources to establish a credible "composite" description of regional behavior: in many cases it has been possible to cross check among several sources. Two sources used in this section are the MBTA's Market Segmentation Study (1977)[5] (which is described more thoroughly in Sections 4 and 6 of this paper) and 1975 survey data collected for the Boston Globe.[6]

3.2 Where Does The Region Shop?

3.2.1. Shop Most Often

There are two questions of interest here: Where do people shop "most of the time?" and where do people shop "some of the time." The MBTA Segmentation Study (covering an area including Rte. 128 and the towns contiguous to it) reports the following distribution of those who answered the questions "shop most of the time":

47% suburban shopping center
37% local business center
16% Downtown Boston

A more complete breakdown was derived by the BRA[7] from the Globe data:

31% major suburban malls
29% local business centers
23% small strip plazas
15% Downtown Boston
3% rest of Boston

The two descriptions are remarkably consistent, if it is assumed that some "strip plazas" were grouped in the MBTA study as suburban, and some as local. There is no major inconsistency between the two surveys (even though the Globe data was from a somewhat larger area, and collected two years earlier).

3.2.2 Shop Some of the Time

Downtown Boston receives a significant number of "occasional" shopping trips from throughout the region. In the full Globe survey area, 32% of the population reported they had shopped "at least once" in the last 90 days. When the Globe sample area is reduced to approximate the MBTA sample area, over 40% say they have shopped at least once in the last 90 days. In the MBTA data, 48% report that they "at least sometimes" shop in Downtown Boston.

3.3 Where Do Bostonians Shop?

3.3.1 "At Least Some" Shopping By Boston Residents

Downtown Boston is vitally relevant to the full population of corporate Boston, even though the furthest borders of corporate Boston extend far into the suburbs, nearly touching Route 128 in the southwest sector of the region. Of the citizens of Boston, some 74% reported that they had shopped in Downtown Boston in the last 90 days, while (in the MBTA survey) 68% of Boston residents reported that they shop at least sometimes in Downtown Boston. Clearly, it is fair to conclude that about 70% of Boston residents do shop Downtown at least occasionally.

Within the total of Boston neighborhoods, there are, of course, significant variations. Those who live in neighborhoods within Downtown Boston, logically enough, have the highest usage rates, with about 84%

reporting shoppers goods shopping in Downtown. Nearly the same percentage (85% in Globe Survey, 83% in the Segmentation Survey) was reported in Roxbury. East Boston ranks third in Downtown Shopping Orientation, with 81% reporting some shopping visit in the last 90 days. Thus both Downtown, East Boston, and Roxbury residents are clearly above the 70%+ average for all Boston residents. Residents of Allston and Brighton were near that average at 71%.

Lower rates of reporting a shopping trip to Downtown were found in "suburban" West Roxbury/Roslindale, (60%) and close in Charlestown (52%). Similar rates are reported for the other close in communities: Cambridge 63%, Brookline 60%, Somerville 52% and Revere-Winthrop 54%. By comparison, Newton shows about 35%, while the Lynn/Saugus area is near 20%.[8]

3.3.2 Where Boston Residents Shop Most

The segmentation study reports that, of those who say they shop most often somewhere, 40% of Boston residents said they shopped "most often" at a suburban shopping center; 34% said most often at local neighborhood center, and 26% said most often in Downtown. Other sources of data report a higher rate of shopping "most often" in Downtown. For example, one study reported that 44% of Bostonians shop Downtown "most often" for clothes. New data is being examined on this subject.

4.0 MARKET VARIATION BY DEMOGRAPHIC CATEGORY

To whom is Downtown (and Downtown shopping in particular), relevant? The Boston Redevelopment Authority staff, in initial phases of its Downtown Crossing Market Analysis Project, has organized data from a wide variety of sources. One study critical to the present BRA effort to interpret the future market for retail activity in Boston's CBD is a "Market Segmentation Study" undertaken in 1977 for the Massachusetts Bay Transportation Authority, partially under the direction of this author. The "Segmentation Study" examined the demographic and behavioral characteristics of the Boston Area in terms of several factors relevant to public transportation services, including attitudes and behavior towards shopping in Downtown Boston. The study provides the richest data source available to date concerning attitudes towards various attributes of Downtown Boston at a point in time immediately before the implementation of the Downtown Crossing Project.

From the "Segmentation Study", we have assembled basic demographic data concerning three questions:

1. Who likes to visit Downtown? ATTITUDE

2. Who is shopping Downtown more, and who is shopping Downtown less than three years ago? TRENDS

3. Who shops Downtown now? PRESENT SHOPPING

Again, the reader is reminded that this data describes attitude and behavior immediately before the implementation of the Downtown Crossing Project, and should not be confused with other data designed to evaluate the project.

4.1 ATTITUDE - Who likes to Visit Downtown? (for purposes other than work)

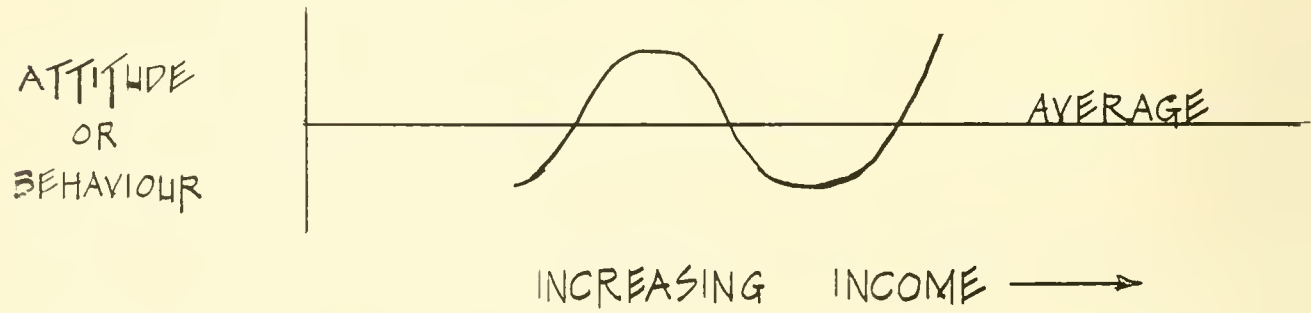
The segmentation study revealed that certain variables have significant explanatory power, and other variables have very little. For example, the segmentation study reveals that level of education is a very direct explanatory variable in understanding who likes to visit Downtown. Table 2 shows the relationship between level of education and propensity to like to visit Downtown. Whereas 41% of those who had not finished high school like to visit Downtown Boston, 78% of those with Graduate Degrees like to visit there. Between these two extremes the relationship is remarkably linear: as the level of education increases, satisfaction with Downtown Boston rises directly.

Does this simple relationship reveal itself as a function of change in income level?

If one were to assume that income level rises directly with level of education, this phenomenon might be predicted. But this is not the case, and propensity to like Downtown Boston does not rise linearly with rise in household income level. Rather another phenomenon is observed which is central to the market forces revealed in our studies. Two strong sub-groups are revealed, as well as several weaker groups.

When examining the curve of propensity to "like to visit" as a function of variation in the variable "household income" two peaks are revealed. We can divide the population into three simple categories: (1) below $10,000; (2) between $10 and $20,000; and (3) above $20,000 (in 1977 dollars). (N.B. One should be careful not to describe these as "poor" "middle" and "rich", because these labels are inaccurate. "Bottom third" "middle third" and "upper third" of the sample would be a more effective way to label the sub-groups of the 1977.)

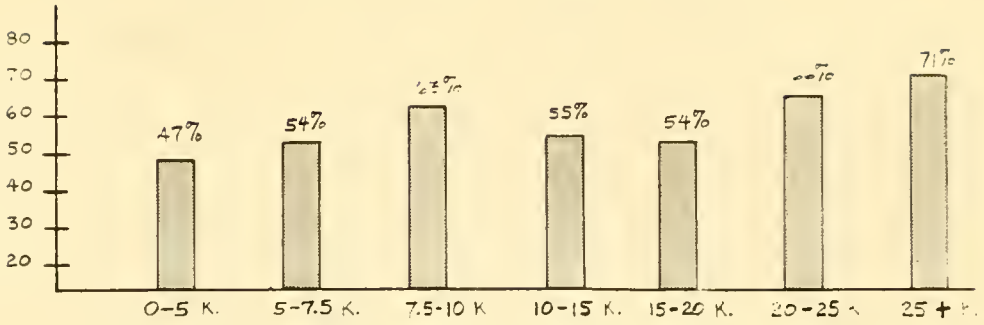
Figure 2 shows that the lowest income groups have a below average propensity to like to visit; the highest income group of the "lower third" has a higher than average propensity; the middle third of the sample has a lower than average propensity; the upper third has a higher than average propensity In the abstract, the curve looks like Figure 4 below:



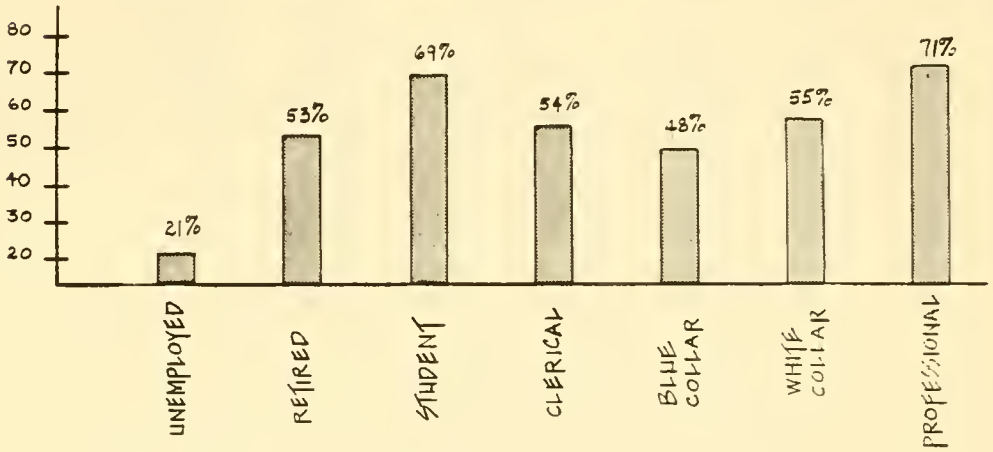
An important demographic variable here is occupation; a variable which, when observed in conjunction with income and education, helps to explain the makeup of the several groups. It is the professional worker who has the highest propensity to like to visit Downtown Boston. By contrast, the two lowest positive ratings come from Blue Collar Workers and the unemployed. 71% of Professionals reported that they liked coming to Downtown; whereas only 48% of the Blue Collar Workers reported this.

WHO LIKES TO VISIT DOWNTOWN

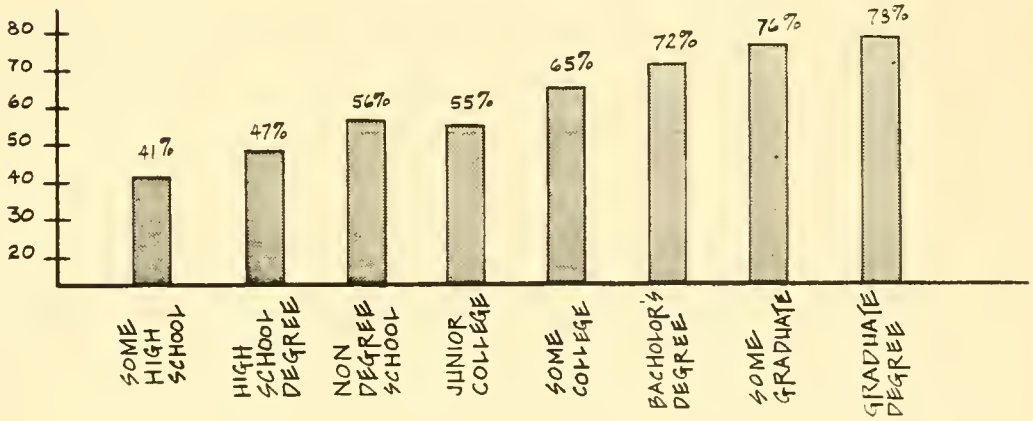
BY INCOME LEVEL



BY OCCUPATION



BY EDUCATION



BY AGE

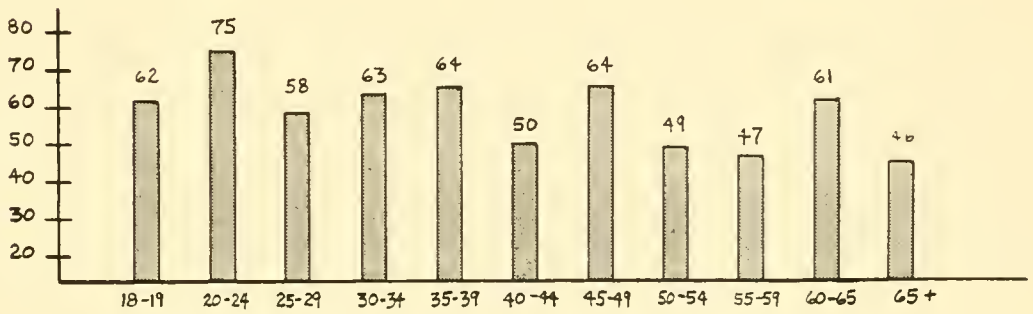


FIGURE : 2

TITLE :

Variation in ATTITUDE, by Demograpic Category

DOWNTOWN CROSSING MARKET ANALYSIS

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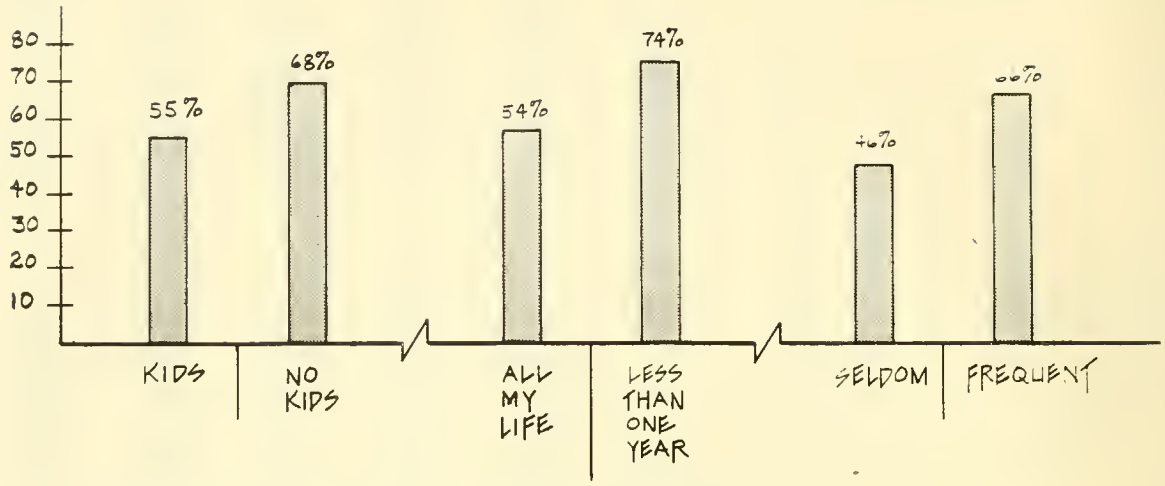
WHO LIKES TO VISIT DOWNTOWN



VARIABLES WHICH SHOW NO SIGNIFICANT ROLE:
OWN VS. RENT; SINGLE HOME VS. APARTMENT;
AUTO OWNED VS. NO AUTO OWNED;
MALE VS. FEMALE; BLACK VS. WHITE;
Ⓣ CONVENIENT VS. Ⓣ NOT CONVENIENT.

FIGURE: 3
TITLE: Variation in ATTITUDE, by Selected Factors

DOWNTOWN CROSSING MARKET ANALYSIS
BOSTON REDEVELOPMENT AUTHORITY

Figure 2 lists the occupations in approximate order of increasing levels of personal, spendable income. The opinion of Downtown shown by the Blue Collar groups helps to explain the low level revealed for the $10-20k group in the previous paragraphs. The high level of regard for the Downtown felt by the upper third of the sample is again revealed by the high rating of the professional worker. Again, the lowest third of the sample is divided between an unfavorable group (unemployed) and a favorable (students).

Combining the three variables, the abstracted curve still reveals two peaks and two valleys.

As shown on Figure 3, the following variables seem to affect ATTITUDE (i.e., propensity to "like to visit" Boston):

a. absence of children in household;

b. being a newcomer to region;

c. frequent use of public transportation.

More significantly, the following variables did not seem to show a significant correlation with variation in ATTITUDE towards Downtown:

a. owner vs. renter;

b. type of residential structure;

c. auto ownership;

d. sex;

e. race;

f. nearness of home to public transportation.

Finally the variable Age had no strong association with ATTITUDE, although the younger groups (under 40) did average higher than the older groups (over 40).

4.2 TRENDS - Who is coming Downtown more often than 3 years ago?

The examination of various demographic variables relative to the attitudes of the several subgroups towards Downtown Boston suggested some initial patterns worth exploring further. Some demographic variables (such as education and occupation) were found to have significant explanatory power, while others (such as age) revealed weaker correlation with attitudes held toward Downtown Boston. The examination of TRENDS (who is coming more, who is coming less) reveals some similar patterns, as shown on Figure 5.

Rise in level of education is generally correlated positively with rise in propensity to come to Boston the same-or-more than 3 years ago. About 50%

of those with high school or less completed are in this category, while about 70% of those with a college degree or more are in this category. However, the clear linear pattern observed when education was graphed against a positive attitude is not repeated.

As in the previous section, the variable occupation is most powerful in helping to explain market forces. Of those in the "professional" and "clerical" categories, 71% are shopping either the same amount or more than they were three years before. Of those with "Blue Collar" jobs only 51% are in this category. Logically enough, under 40% of those retired or unemployed are in the same-or-more shopping category.

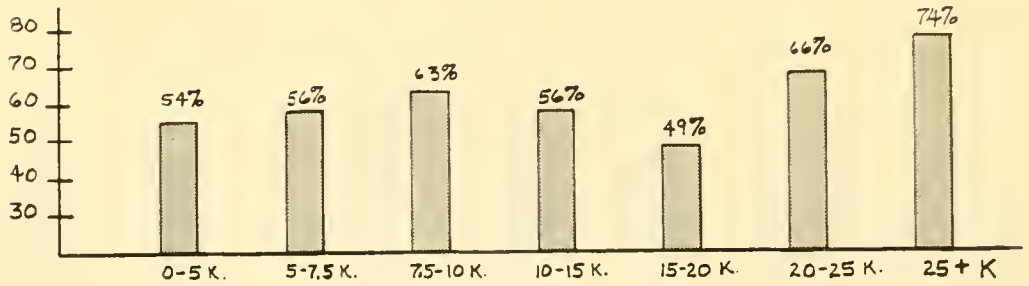
The "abstract curve" describing the relationship between occupation and TREND of use of Downtown Boston for shopping looks somewhat familiar: there are two "peaks" and two valleys. One peak represents the most wealthly occupational group (professionals) while a second peak represents a group with low (but not lowest) incomes (students and clerical workers). The one valley represents the Blue Collar middle income, while the other represents the lowest income group (unemployed and retired).

Looking at the relationship of income level to TREND, the highest income group performs well, as expected; the middle income group performs poorly, as expected; the 7.5k-10k performs as expected, with the 0-7.5k group falling to form as clear a "valley" as predicted. In short, variations in TREND by Income Level show a pattern similar to that revealed in TREND by Occupation, but with less clarity.

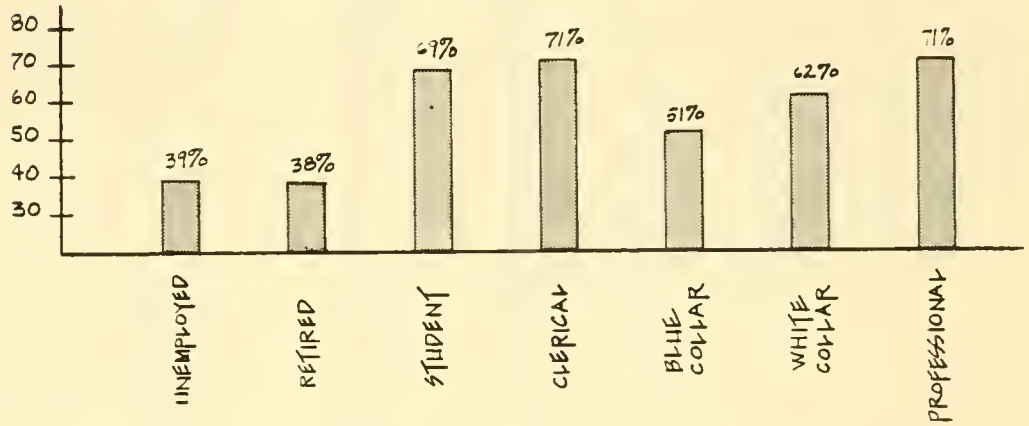
Several other factors seem to be associated with the TRENDS in Downtown shopping in Boston, age seems to affect TREND, as about 50% of those from 18 to 24 report coming more often. However, this data should be treated

WHO IS VISITING DOWNTOWN THE SAME OR MORE THAN 3 YEARS AGO

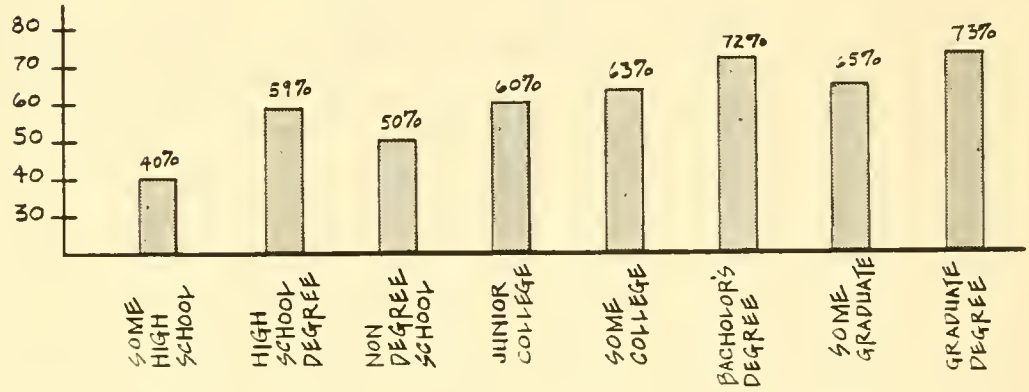
BY INCOME LEVEL



BY OCCUPATION



BY EDUCATION



BY AGE

(ONLY THE CATEGORY "VISITING MORE" IS GRAPHED)

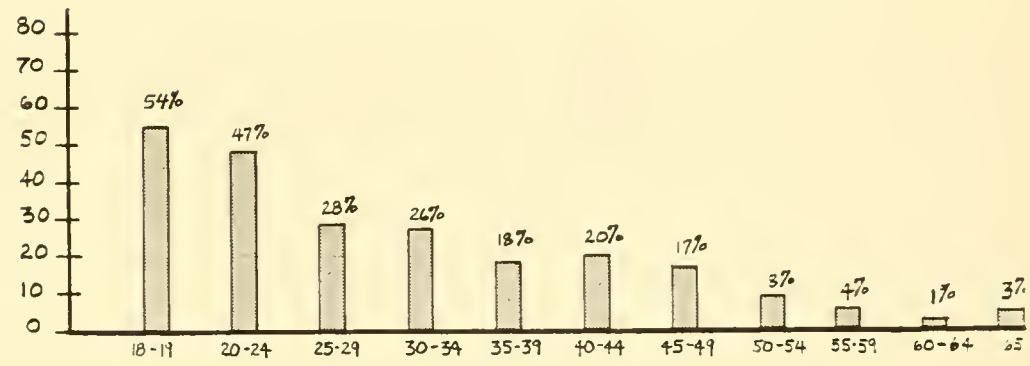


FIGURE : 5

TITLE : Variation in TREND by Demographic Category

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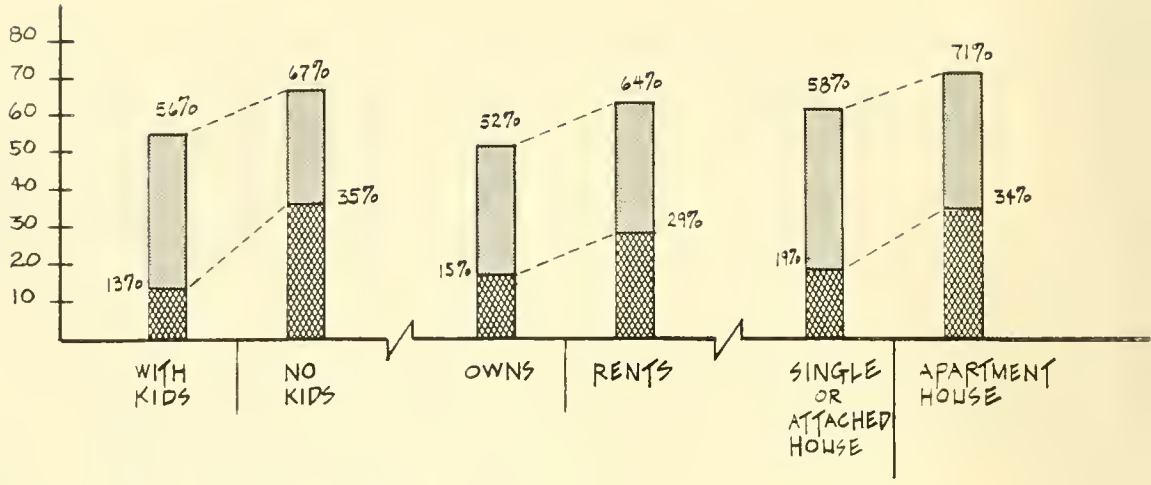
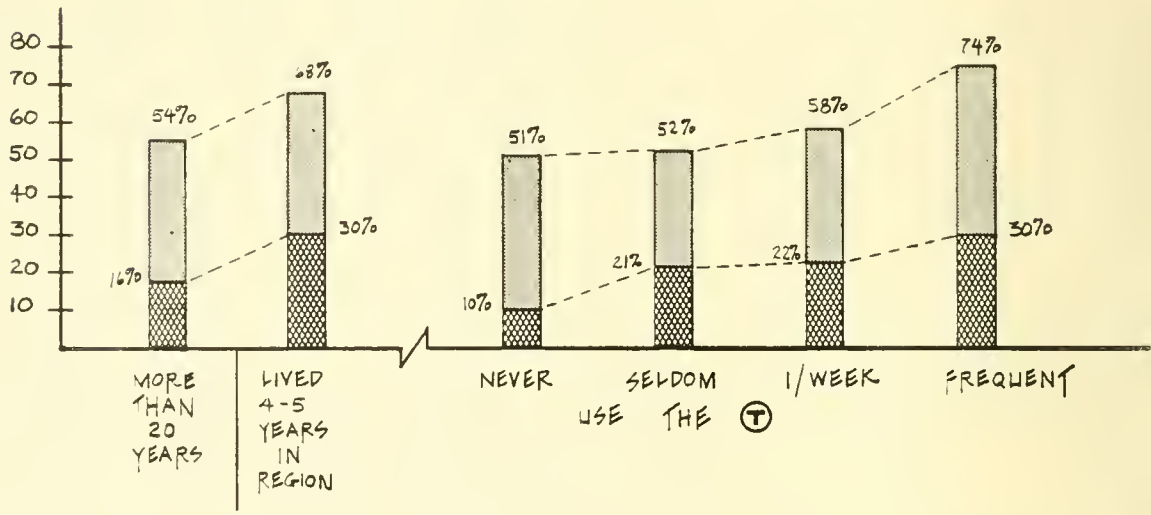
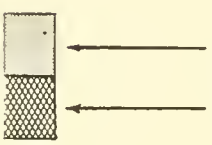
WHO IS VISITING BOSTON THE SAME OR MORE THAN 3 YEARS AGO





NO IMPACT FOR
AUTOS OWNED, DRIVER'S LICENSE, SEX, RACE, NEARNESS OF HOUSE TO (T)



SAME AS 3 YEARS AGO.

MORE THAN 3 YEARS AGO.

FIGURE: 6
TITLE: TRENDS, by Selected Factors

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CHANGE IN NON-WORK VISITS TO DOWNTOWN IN LAST THREE YEARS BY SELECTED DEMOGRAPHIC GROUP

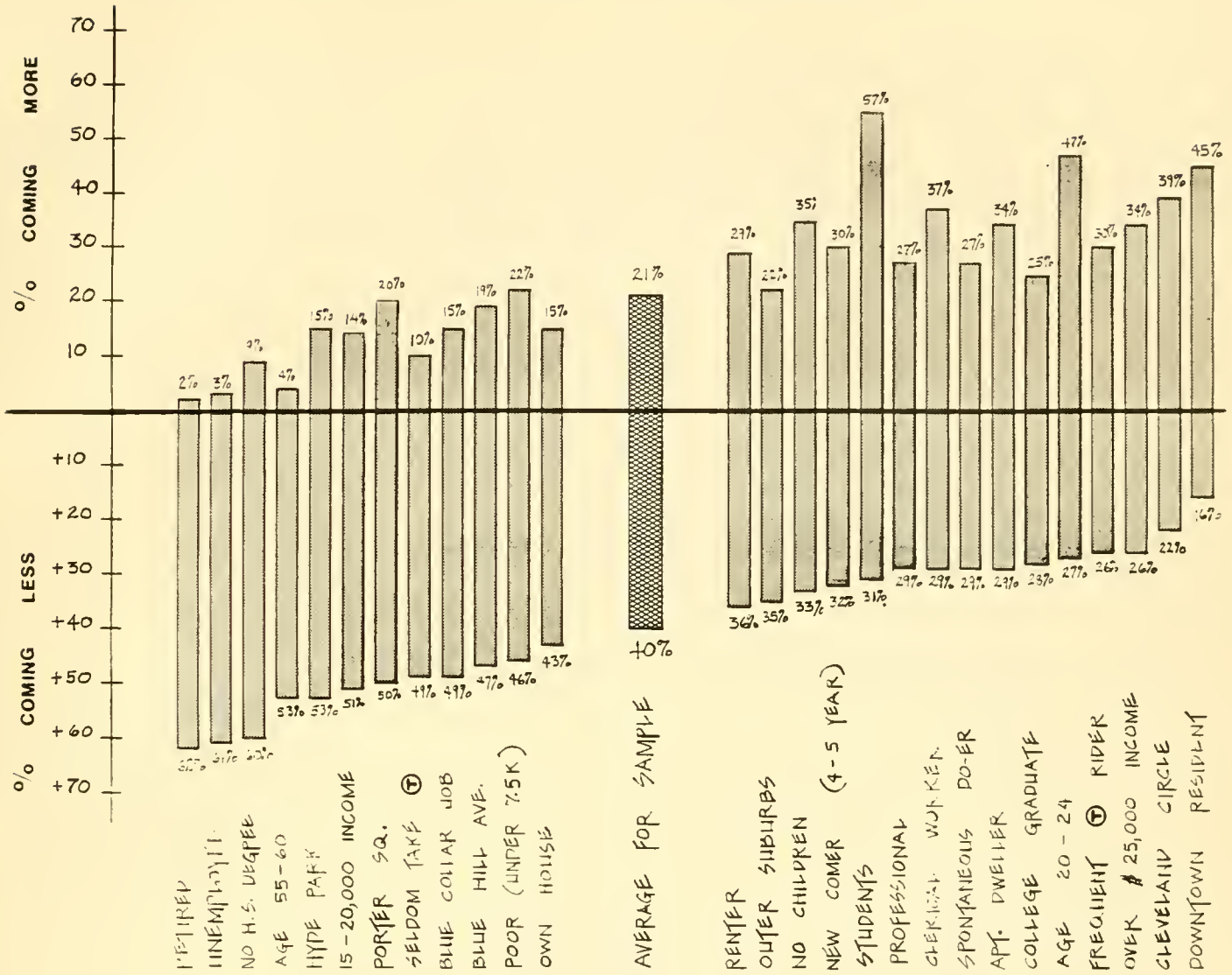

FIGURE: 7

TITLE: Variation in TREND, by Selected Sub-Groups

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with caution, as it may simply reflect change in position in the life cycle, rather than change in composition of the area. Those over 40 have the worst TRENDS. The following demographic categories seem to affect propensity to shop Downtown "more than 3 years ago" (as shown on Figure 6):

a. abscence of children in household;
b. renting, rather than owning a home;
c. mulit-family residence, rathar than single family;
d. new to region, rather than long time resident;
e. frequent use of public transportation.

The following demographic variables did not seem to influence TREND:

a. auto ownership;
b. having a driver's license;
c. sex;
d. race; and
e. nearness of home to public transportation.

Finally, a wide variety of other variables were found to be associated with differing TRENDS, or changes in amount of shopping done in Downtown Boston. Selected demographic sub-groups within the population are displayed in Figure 7 graphed in terms of variation of reporting decreases in shopping Downtown. Reading from left to right, then, describes the sub-groups from greatest decline, to average decline, to least decline in use.

In this graph, selected sub-groups who have negative trends are: retired persons, unemployed persons, and persons between 55 and 60. Selected sub-groups who show positive trends are: persons between 20 and 24; frequent T riders; professionals; household income above $25,000, and residents of Brookline and Downtown Boston.

4.3 PRESENT SHOPPING

Several patterns emerge from the examination of present shopping behavioral with respect to critical demographic variables: Education, Occupation, and Income Level as shown on Figure 8. Causal relationships are noted with other variables concerning family, residence and transportation.

Education: In the analysis of ATTITUDE, education was a clearly significant factor in explaining the propensity to "like to visit" Downtown Boston. In the analysis of TREND, level of education was positively correlated with

WHO SHOPS IN DOWNTOWN AT LEAST SOME TIME

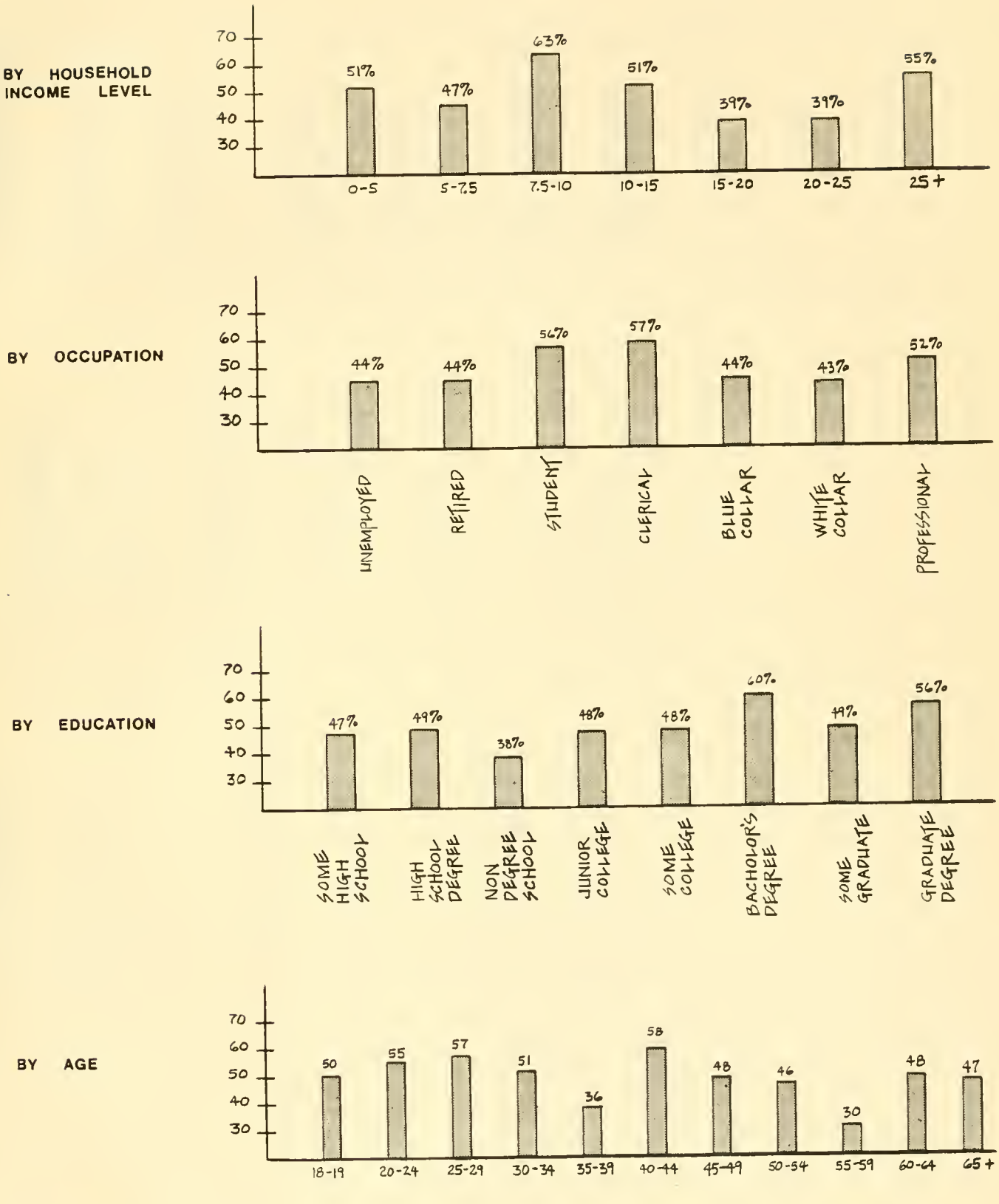

FIGURE: 8

TITLE: PRESENT SHOPPING, by Demographic Category

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WHO SHOPS DOWNTOWN MOST OR SOME OF THE TIME

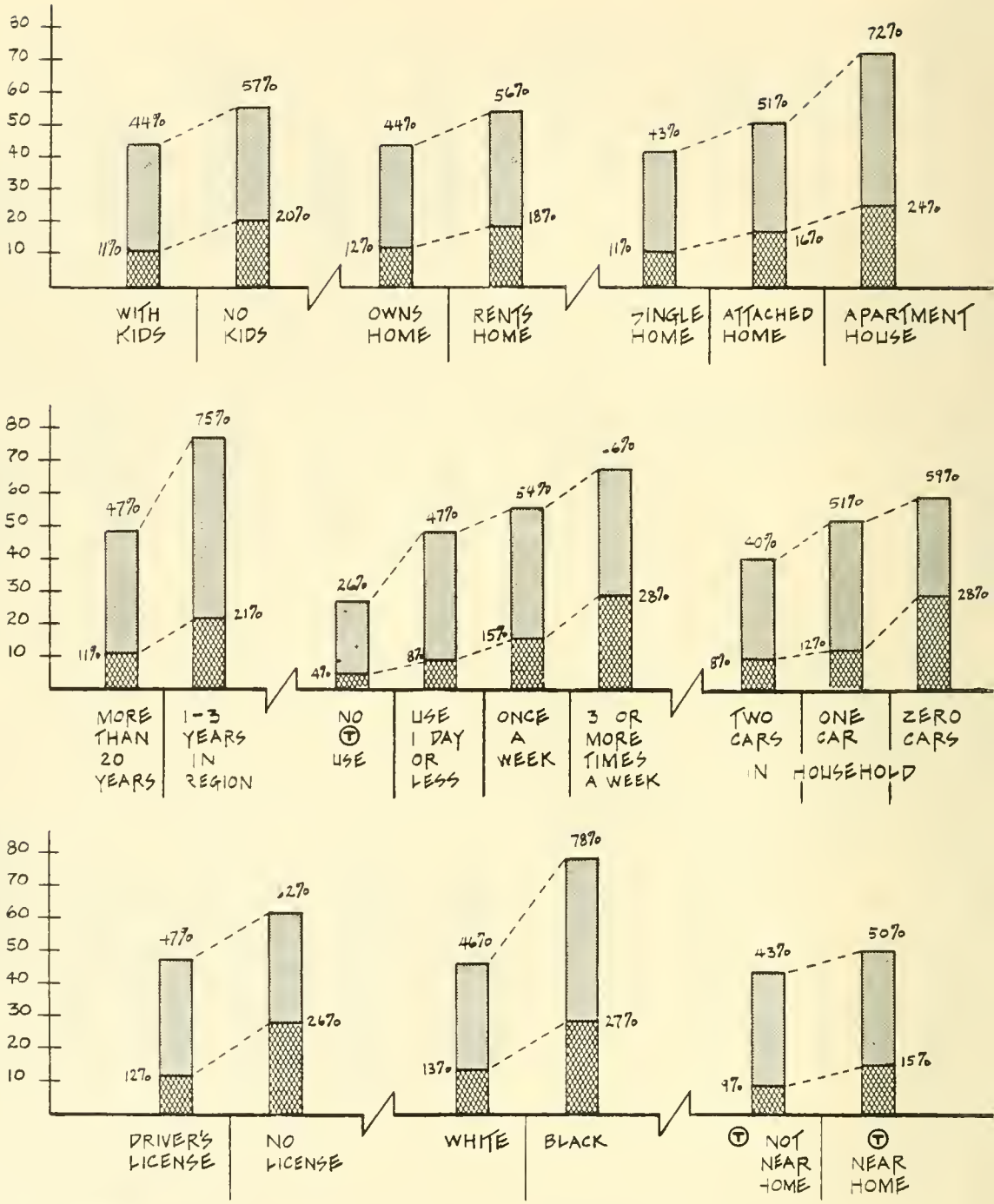

FIGURE: 9

TITLE: PRESENT SHOPPING, by Selected Factors

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increase in shopping Downtown. In the analysis of PRESENT SHOPPING, level of education is not significantly associated with propensity to shop Downtown today.

Occupation: In the analysis of both ATTITUDE and TREND the demographic group "professionals" had the highest propensity to appear positively relative to Downtown retail. In the case of PRESENT SHOPPING, the professional group ranks third, after the clerical and student categories. All other categories rank about the same, considerably below the first three.

Figure 9 shows that propensity to shop Downtown is positively correlated with:

a. having no children;
b. renting a home;
c. type of residence;
d. being a "new-comer" to the region;
e. use of the T;
f. having no car;
g. having no license;
h. race;
i. nearness of residence to the T.

PRESENT SHOPPING does not seem to be a function of either age or level of education.

5.0 ANALYSIS OF DOWNTOWN USERS: CHANGE IN INCOME DISTRIBUTIONS

One very common pattern which occurs in the analysis of the future of Downtown areas has been described as the "U-shaped curve", in which the central area serves a clientele which is disproportionately rich, disproportionately poor, with significant under-representation of the middle income element. The evolution towards this pattern was eloquently explained in the work, "The Changing Economic Functions of the CBD" (1959),[9] by Raymond Vernon, and in other works. One highly prominant theory of urban affairs is one which posits that support for superior levels of public services comes from an alliance of upper income, and lower income voters pitted against the middle income. This theory (known as the Banfield and Wilson Hypothesis)[10] suggests that the motivations for the upper income groups support may be significantly different from the motivations of the more dependent lower income group.

The income distribution of those shopping Downtown lies at the center of policy analysis for investments such as Downtown Crossing. If, on the one hand, Downtown has become only a haven for the very rich, the equity implications would invite legitimate criticism. If, on the other hand, the Downtown has become only the last refuge for the poor who cannot afford to flee, then the very logic of substantial investment in upgraded retail facilities becomes subject to question, particularly by those who believe that public intervention should focus on successful projects.

Based on the MBTA study, comparative income distributions can be derived for those who "shop most" in CBD, vs those who "shop most" in a suburban mall.

Table 10
Income Distribution of Those
Responding Shop CDB "Most of Time"

	$0-10k		$10-20k		$20k+	
CBD Most	28%	+	41%	+	31%	= 100%
Suburban Mall Most	19%	+	39%	+	42%	= 100%
Total Sample	26%	+	37%	+	36%	= 100%

Table 11
Income Distribution of Those
Coming to CBD More and Less

	$0-10k	$10-20k	$20k+	
Coming More	29%	28%	42%	= 100%
Total Sample	26%	37%	36%	= 100%
Coming Less	28%	45%	27%	= 100%

Examination of the income distribution of those reporting "shop most often" in the CBD, reveals no pattern whatsoever of a "u-shaped" curve with disproportionately low representation from the middle third of the income spectrum. Rather, Table 10 shows that the middle group has disproportionately high representation in the "shop CBD most" group when compared with the total sample.

However, when the same analysis is applied to TRENDS, a radically different pattern emerges. Looking at the income distribution of those who report that they are increasing their trips (non-work) to Downtown (Table 11), the middle group is significantly under-represented. While this group represents 37% of the sample, they represent only 28% of those coming Downtown more. Significantly, the upper income group makes up the largest segment of those coming more, comprising 42% of that group vs 36% of the sample. The lowest income groups slightly over-represented with 29% vs 26% in the total sample.

The middle group ($10-20k) makes up 45% of the those who are coming Downtown less, while they constitute only 37% of the sample: the upper income group is under-represented here, with 27%, while they constitute 36% of the population. The lowest income group is represented roughly in proportion to its role in the sample.

These rough comparisons of income distribution are sufficient to demonstrate the difference between the demographic make-up of those presently shopping in Downtown, and the demographic make-up of those sub-groups which are shifting their patterns of use of Downtown.[11] The comparison is sufficient to suggest an evolution of the CBD retail market away from the middle income group, growing increasingly towards the upper income group, with no evident decline in a significant role for the lower income group. The net result of the present pattern, as modified by the clear trends, would indeed end up with the "u-shaped" curve hypothesized in much of the theoretical literature on the subject of the future of central areas.

5.1 Policy Implications

The pattern of the present distribution, and the modification towards a market with substantial roles for both upper and lower income groups has some positive implications in terms of policy analysis. If the distribution of Downtown users were radically skewed towards either extreme, serious questions could be posed concerning the efficiency and equity involved in public intervention in Downtown Boston's retail centers. What is revealed is a client population which is neither singularly elite nor economically impotent: a population currently with over-representation from a middle income group and under-representation from the upper, with a trend that is bringing the distribution closer to the regional norm.

It is dangerous, however, to make conclusions about the behavioral patterns of specific subgroups from utilization of such "coarse" indices as "lower third", "middle third" and "upper third" along the income spectrum. The BRA's Market Analysis Program sought to create new indices and analysis tools that would make observations about market disaggregations relevant to actual policy decisions. The preliminary results of this effort are summarized in Section 6 of this paper, which follows below.

TABLE # 12

Correspondence Between Dimensions of Downtown Boston and Rating Questions

Dimension	Most Important Ratings
A. Quality	1. Quality of stores 2. Quality of restaurants 3. Reasonableness of restaurant prices 4. Condition and surroundings in stores.*
B. Auto-related conditions	1. Public parking 2. On-street parking 3. Reasonable parking rates 4. Daytime traffic conditions 5. Nighttime traffic conditions
C. Safety	1. Safe during day 2. Safe during night 3. Walking without hassles
D. Walk-related conditions	1. Condition and surrounding in stores.* 2. Easy to get around in 3. Uncrowded streets and sidewalks 4. Uncrowded stores 5. Condition of streets

* These ratings contribute to more than one dimension.

6.0 MARKET SEGMENTATION IN SUPPORT OF DECISION MAKING

It is clear from the information presented in the previous sections that significant variations do exist among sub-gruops of the region's population in terms of their attitudes, behavior, and trends towards non-work usage of Downtown Boston. Such traditional demographic categories as Income, Occupation, Age and Education have demonstrable effects on some of the phenomena we are observing. The same can be said for other descriptions of the individual's life style, commonly utilized in the prediction of transportation behaviour, such as: Auto Ownership, Family Size, Nature of Dwelling Unit, Possession of Driver's License, Race, and Availability of Public Transportation. These commonly used demographic categories are useful in revealing the existence of phenomena to be analyzed, but their use in supporting actual decision-making is limited, at best. Such data may help to establish a "context" or may be utilized in the ex-post-facto rationalization of a decision once made. What is needed is a more direct method of describing the nature of the sub-groups of the population who are concerned with, desirous of, or impacted by a given action.

A recent study performed for the BRA's Downtown Crossing Market Analysis Project (Karash, 1981)[12] has defined sub-groups of the population based on their stated feelings towards certain attributes of the Downtown area. These market segmentation groups can be used in the analysis of the impact of alternative policy decisions concerning the improvement of various attributes of Downtown.

6.1 Derivation of the Four Attribute Categories

In the MBTA study, respondents were asked to evaluate over 15 different attributes of Downtown Boston, covering such diverse items as cleanliness, saftey, traffic conditions, and the quality of stores and restaurants. As summarized in Table 12, these many attributes were reduced to the following four basic dimensions by a statistical procedure which examined similarities of response patterns:[13]

a. Quality and varity of stores;
b. Auto related conditions;
c. Safety; and
d. Walk related conditions.

Each respondent in the full sample was assigned to a group based on revealed similarities of evaluation relative to the four attributes of Downtown. The process "segmented" the population into six district market groups, each with different evaluative rankings of the four attribute categories. For example, one group was positive about each of the attribute categories except "quality of stores", while another group was negative about each attribute category, except "quality of stores".

6.2 Ratings of Attributes of Downtown by Six Market Segments

The six market segment groups are described in Table 13 in terms of evaluative ratings expressed by group members towards the four attribute categories. They can be summarized in text as follows (order in terms of decreasing favorability towards Boston):

Market Segment #I: gives a positive rating to three attributes, but gives a negative rating to "Walk Conditions". This group represents 18% of the population.

Market Segment #II: gives a positive rating to three attributes, but gives a negative rating to the "Quality of Stores". This group represents 21% of the population.

Market Segment #III: feels positive about "Store Quality" and "Walk Conditions", feels neutral about "Safety", but feels negative about "Auto Conditions". About 18% of the region belongs in this group.

Market Segment #IV: feels positive about "Store Quality" and "Auto Conditions", feels neutral about "Walk Conditions", and feels very negative about personal "Safety" Downtown. About 17% of the population falls into this group.

Market Segment #V: likes the "Quality of Stores", dislikes both "Auto Conditions" and personal "Safety Conditions", and strongly dislikes "Walk Conditions" in Downtown Boston. About 16% of the population is placed in this category.

Market Segment #VI: strongly dislikes "Store Quality", dislikes both "Auto Conditions" and "Walk Conditions", and feels neutral about personal "Safety" in Downtown. Only 10% of the population fits into this group.

6.3 Demographic Make Up of the Market Segments

6.3.1 Market Segment Group I is the group which is satisfied with all attributes of Downtown except the quality of the walking environment. (The reader is reminded that this data was collected immediately before the Downtown Crossing improvements.) Demographic Make-Up: This group has the highest income levels and the highest level of education of the six market segment groups. The group is relatively young, with

ATTRIBUTE RATINGS FOR THE SIX MARKET SEGMENTS

MARKET SEGMENT GROUP	GROUP I	GROUP II	GROUP III	GROUP IV	GROUP V	GROUP VI
QUALITY	+	—	+	+	+	---
AUTO CONDITIONS	+	+	--	+	—	—
SAFETY	+	+	○	--	—	○
WALK CONDITIONS	—	+	+	○	--	—

+ POSITIVE
○ NEUTRAL
— NEGATIVE
-- MORE NEGATIVE
--- MOST NEGATIVE

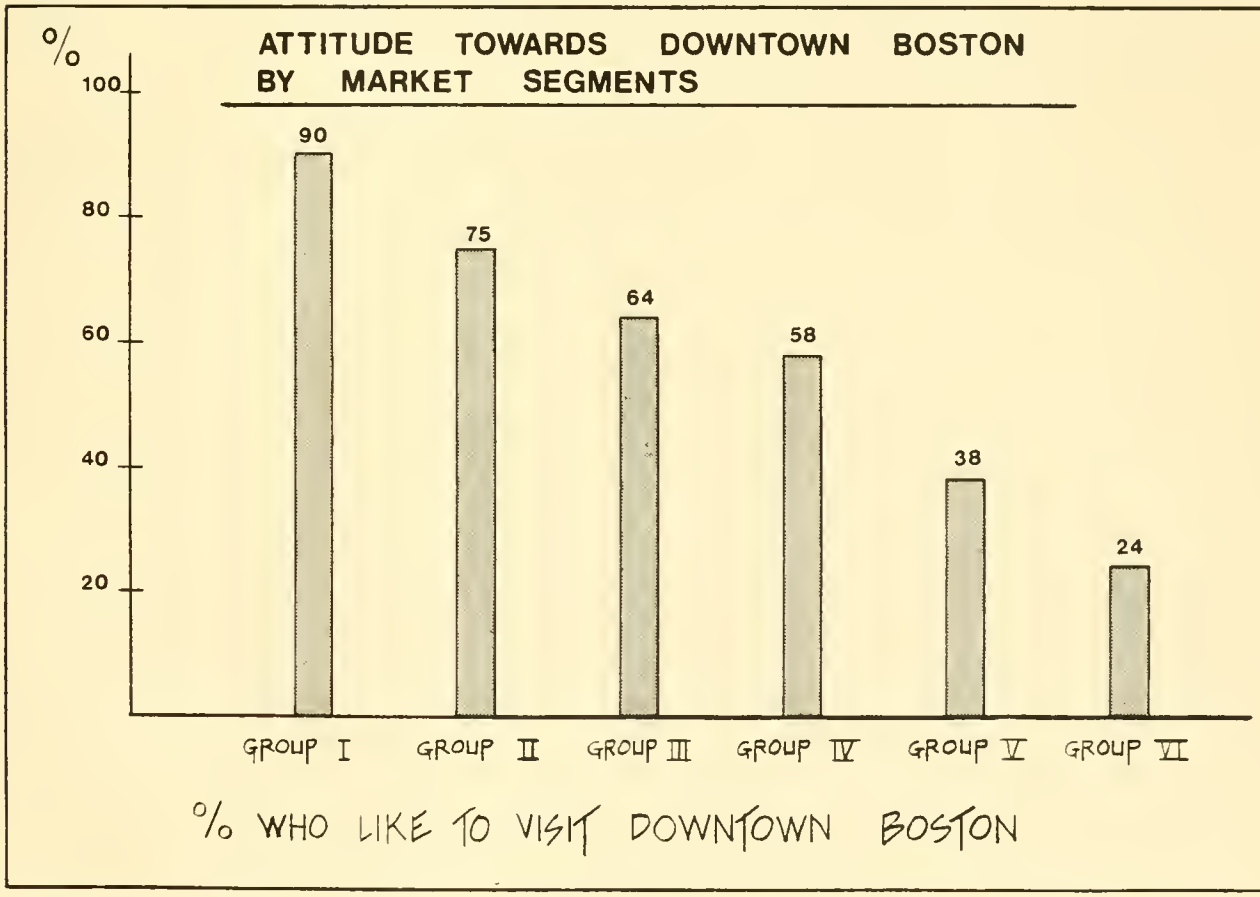

FIGURE: # 13

TITLE: Upper: Definition of the Six Market Segment Groups
Lower: Variation in ATTITUDE by Market Segment Group

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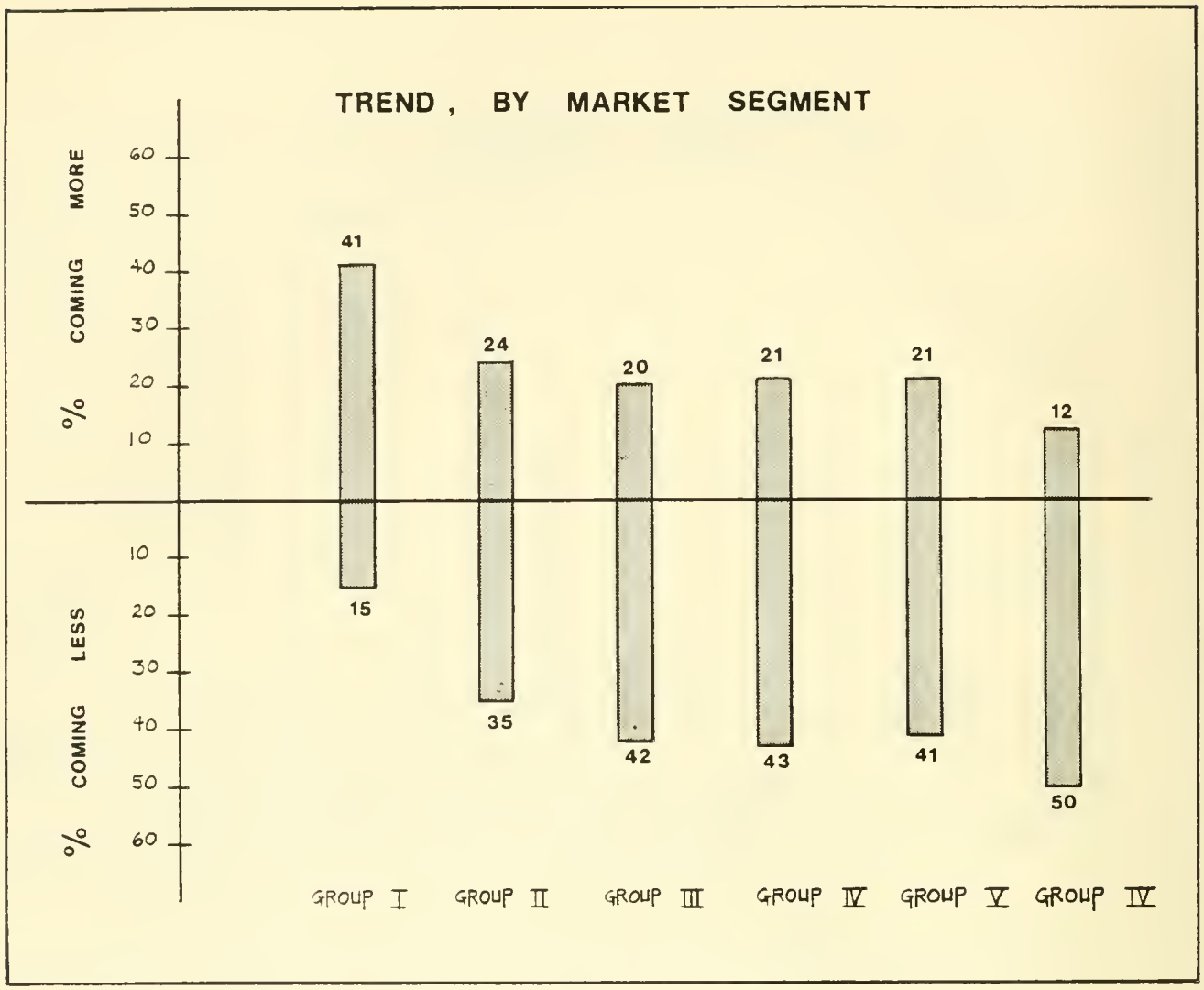

FIGURE # 14

TITLE: Variation in TREND by Market Segment Group

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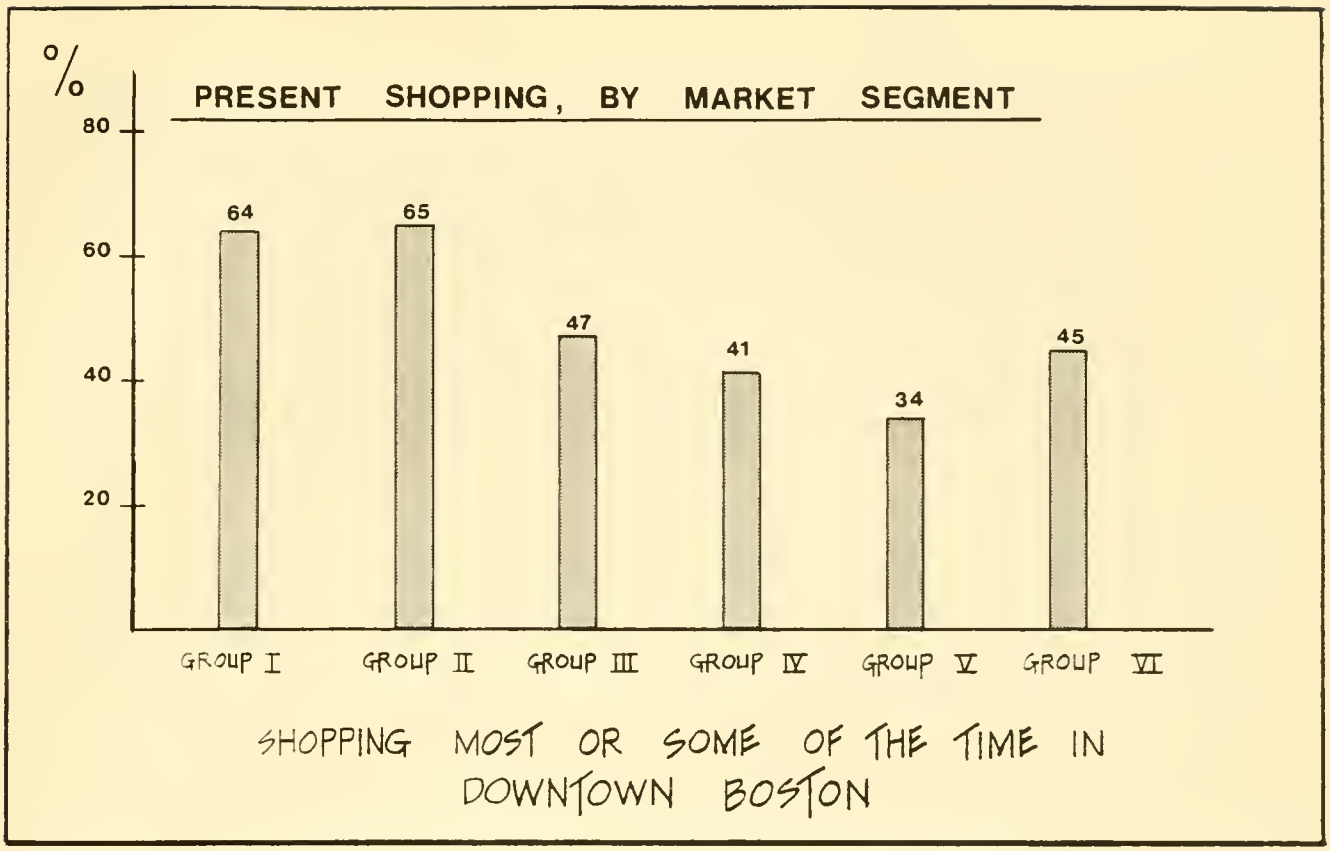

FIGURE: #15

TITLE: Variation in PRESENT SHOPPING, by Market Segment Group

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relatively low propensity to have children, and tends to reside in the suburbs. The group has the second lowest percentage of zero-car households. The Segment Group has the lowest representation of Blue Collar workers of the six groups. The group is disproportionately White. ATTITUDE: This group loves to visit Boston, with 90% reporting positively. TRENDS: 85% of this group is either stable or increasing its use of Downtown Boston. More importantly, this Segment Group (and only this segment) is experiencing a net increase in its participation, with 41% of the group increasing vs. only 15% declining. PRESENT SHOPPING: Market Segment Group #I is one of the two (along with Group #II) strong groups in terms of present shopping, with about 65% of the group reporting that they shop at least some of the time in Downtown Boston.

6.3.2 Market Segment Group II is defined as the portion of the sample which was positive on all attributes of Downtown, except the quality and variety of the stores. Demographic Make-Up: This is the second best educated segment group (after Group #I) but it is quite different from Group #I. This is the second poorest of the six groups; this group resides disproportionately in Boston, rather than in the suburbs; non-whites appear significantly in this group. The group has the lowest propensity to have children in the household, and is younger than average for the sample. The group has the second lowest representation of Blue Collar workers of the six groups. ATTITUDE: This group is the second strongest in its propensity to like to visit Downtown, with 75% reporting positively. TRENDS: This group has the second strongest trend, with 65% of the group either stable or increasing its rate of visits. The group has the second highest percentage reporting an increase of use (24%), but some 55% of its members are decreasing their usage. PRESENT SHOPPING: With 65% of its members reporting at least some shopping Downtown, Market Segment #II is the strongest of the six groups.

6.3.3 Market Segment Group III was defined by the groups unfavorable opinion of auto-conditions, mixed feelings about personal safety, and acceptance to walk conditions and store quality. Demographic Make-Up: This group has the third highest (roughly average) level of education. It has the third highest mean income, but the second highest representation of incomes over 20,000. The group is younger than average, and lives outside of Boston. The group has the lowest proportion of zero-car households. The group has the third lowest representation by Blue Collar workers. ATTITUDE: Market Segment Group 3 has the third highest propensity to like to visit Downtown Boston, with 64% reporting positively, which above the average for the six groups. TREND: The TREND for Groups III, IV, and V are viturally identical, with some 58% reporting stable or increasing use; the net change is negative with 42% declining vs 21% increasing. PRESENT SHOPPING: Market Segment #III has the third best present rate of shopping, with 47% (near average) reporting at least some shopping in Boston.

6.3.4. Market Segment Group IV is the group which registered strong disapproval of the personal safety aspects of Downtown Boston, with mixed feelings about the quality of walking conditions. Demographic Make Up: It ranked fourth in the level of education, well below average;

fourth in terms of income level (below average) and is predominantly suburban in residence. Group IV has the highest average age of the six groups (shared with Group VI). The group has the second highest level of Blue Collar representation (shared with Group 6), and a higher than average propensity to have children in the family. ATTITUDE: Group IV has the fourth highest propensity to like to visit Boston, with 58% positive. TREND: Group IV is essentially identical to Groups III and V in trend, with about 58% of the population stable-or-growing, but with about 42% with a declining rate of using Downtown. PRESENT SHOPPING: Only 41% of Group 4 persons reported shopping in Downtown at least some of the time: this is the second lowest rate of the six groups.

6.3.5. Market Segment Group V describes the group which is negative about all attributes except the quality of the stores. Demographic Make-Up: Group V has the lowest level of educational attainment of the six groups, with only 21% having a college degree. However, Group V is the second highest in terms of average income; it is the most suburban in residence; it is the least non-white; and perhaps most importantly it has the highest representation from Blue Collar workers of any of the six groups. This group has the highest rate of 2-car ownership, and by far the lowest rate of transit usage. ATTITUDE: Group V ranks fifth in its desire to visit Boston, with only 38% of the group saying that they like to visit Boston. TREND: Group V is no different from Groups III and IV, about 58% are either stable or increasing while about 42% are declining in their use of Downtown. PRESENT SHOPPING: Group V has the lowest rate of shopping in Boston of the six groups, with only 34% reporting to shop there even occasionally.

6.3.6. Market Segment Group VI represents a smaller group (about 2/3 the size of the other groups) which is negative about all attributes, with some mixed evaluations about personal safety. Demographic Make-Up: This group is in the lowest rank of educational achievement, with only 23% of its members having a college degree (statistically insignificant in difference from the 21% figure in Group V). In terms of income level, it is the lowest, despite a disproportionate representation from the middle income group. A majority of this group resides in the City of Boston - far more than is the case for the other 5 groups. A higher percentage of this group is Non-White (in this case Black) than in any other group. This group resides predominantly in multi-family residential structures. Their propensity of auto ownership rates are among the lowest; and their use of public transportation is among the highest of the groups. ATTITUDE: Group VI is indeed the most negative group with only 24% stating that they like to come Downtown. TREND: Group VI displays the most negative trend: 50% are stable or increasing their rate of use of Boston. 50% are decreasing their rate, against a meager 12% who are increasing: this differential creates the highest rate of net loss of any group. PRESENT SHOPPING: in terms of their actual behavior, this group is the fourth strongest, with 45% (only slightly below average) reporting to shop Downtown at least some of the time.

6.4 Market Interpretation and Public Policy Decisions

The BRA's Downtown Crossing Market Analysis has begun the task of examining the Downtown Retail Market utilizing several different tools. A market segmentation approach, based on variations in the public's evaluation of separate project attributes, has been combined with a more traditional analysis of variation in attitude and market behavior based on standard demographic categories. When examined together, the two methods allow for some preliminary conclusions to be drawn about the evident strengths and weaknesses to the market for Downtown retail activity.

6.4.1 Market Strength

Throughout the examination of market strengths, two market groups have continuously emerged as being critical to the present and future of Downtown retail.

Clearly there is one strong market group dominated by upper income households; and clearly there is one strong market group dominated by low-to-moderate income households. This fact is reflected in the most basic examination of behavior as a function of income level. Of those surveyed from households making more than $25,000 (in 1977) 55% shop Downtown; of those between $7,500 and 10,000, 65% shop Downtown. These are the two highest levels of PRESENT SHOPPING Downtown reported. Consistent with this pattern, the three best rates of PRESENT SHOPPING for occupational groups comes from clerical and student groups (low-to-moderate) at 57%, and from professionals at 52%.

Examination of present behavior alone is not sufficient basis for concluding these two groups to be "strong". The two groups must also be examined in terms of TRENDS, and in terms of ATTITUDE. Fortunately, the pre-eminence of the two groups is made more clear by this examination. In terms of ATTITUDE, the highest ratings for liking to visit Boston come from the highest income groups, and from the low-to-moderate group. In terms of TRENDS, the upper income groups are experiencing positive trends, with net increases in the amount of visitation of Downtown. The low-to-moderate group shows the second strongest trend, although with a small net decrease in rate of visitation.

These patterns emerge more clearly through the process of Market Segmentation. The two groups, which emerged based on their similarity of response in the evaluation of several area attributes, are clearly

recognizable in terms of the logic of their demographic make-up. But this method of market disaggregation is particularly valuable to the decision-maker because each group has known sensitivities, needs, and preferences to specific areas of possible project improvement.

The interests of the group (Group I) dominated by well educated upper income professionals is easiest to observe. For the members of this Market Segment, some 18% of the sample, the stores are well suited to their needs. This is consistent with the existence of highly specialized merchandise in the full CBD aimed at this business-oriented market. For them, auto oriented conditions are not a major constraint: many are already working in the area with retail a short walk away; for others the high price of parking is a cost to be borne to get to the specialty stores. For them, personal safety in Downtown is not perceived as a problem; this is consistent with many studies of Boston area citizens showing that fear of crime in Downtown decreases with increasing income.[14] For them, the problem was (in 1977) the low quality of the environment experienced by the pedestrian. The quality of the on-street environment simply did not live up to their otherwise fulfilled high level of expectation. It follows logically that a failure to provide (or to maintain) a high level of urban amenity would result in decrease in the propensity for this group to shop here. It must be noted that auto ownership in this group is high: the group has the option to shop wherever shopping attracts them. For this Market Segment, the regional competition is fierce.

The revealed concerns of the low-to-moderate group (Market Segment II) also have significant implications for market planning. This is the group (well educated, young, urban but without much money) that evaluated the stores negatively, while showing satisfaction with the other three attributes. As is well documented in the retail literature, CBD's have lost their old role as the emporium of middle prices goods. Over the past two decades, retailers in Downtown have moved up to "specialty" markets, and down to discounted goods. Those in "Market Segment II" seem to be concerned with the lack of moderately priced variety, which is decreasingly available in the CBD. The existence of a wide variety of usable day-to-day goods must concern the area market planners, lest the CBD degenerate into an array of overly priced, spe-

cialized boutiques with cute (and often absurd) names. Again, the importance of retaining this segment must be stressed, as their current TREND is mildly negative.

6.4.2. Market Weaknesses

With these two groups, it can be stated that nearly 40% of the population of the survey area is in a group well oriented to Downtown retailing. At the other end of the spectrum, two other Market Segments emerge with sharply negative potential for development. One of the two weak groups occurs in the middle-to-upper middle income area; the other occurs at the lowest income area. This pattern is generally applicable for all three dependent variables charted: ATTITUDE, TREND, and PRESENT SHOPPING. In terms of Occupation, the category "Blue Collar" is nearly always associated with lower rates of CBD shopping and higher utilization of Suburban Malls. At the lower-income category, lower levels of orientation towards CBD shopping are consistently associated with households whose head is "unemployed", "retired" or homemaker".

Market Segment Group V was characterized by high proportions of Blue Collar workers, with middle to upper-middle incomes. Its orientation to CBD shopping was weak in all dimensions examined. This group rated all attributes negatively, except quality of stores. Reversing these trends and attitudes seems unlikely, and this 16% of the region's population must be classified as poorly oriented to the future of CBD retailing. Of this group, 63% do most of their shopping in a suburban shopping center, the highest ratio of any group.

Similarly, there exists a very low income segment of the population that shops Downtown not by choice, but by lack of option. The attitude and the three year trend of this group is so negative that it is difficult to forecast a major role for this group as CBD shoppers. Of the group, a highly significant 50% reported that they are decreasing their trips to Downtown. Market Segment VI accounted for 10% of the survey area population.

6.4.3. Uncertain Markets

With 40% of the region categorized as having positive market potential and 25% categorized as having poor market potential, what of the remaining

35%? What policies would have the most chance of increasing capture rates for the middle groups? From Table 13 the concerns of the two middle groups can be summarized: one group feels strongly about poor auto conditions; the other group feels strongly about conditions relating to personal safety in the area.

The group which is concerned about auto conditions (Market Segment III) has a slightly higher rate of present shopping, a slightly higher propensity to like to come Downtown, but the same rate of decline in CBD use as the group concerned about personal safety (Segment IV).

Clearly, it would be difficult for a city to "solve" either the problem of parking or of perceived crime. We are in a position, however, to observe the demographic differences between the groups who are most concerned about each. It is premature to "forecast" the results of a radical change in policy or a radical improvement in the CBD environment. However, we can rank those concerned with auto/parking (Market Segment III) as more susceptible to increased Downtown shopping than those concerned with personal safety/crime, based on the following demographic characteristics: Segment III: (1) is better educated; (2) has a higher proportion of people earning above $20,000; (3) is younger; (4) has somewhat fewer households with children; (5) has somewhat fewer households in single family dwelling; and (6) has fewer 2 car families. To repeat, our purpose here is not to predict market behavior in response to a policy change; but to document the known characteristics of the constituency concerned about each of the four issues. Based on the differences in ATTITUDE and PRESENT SHOPPING rates, and based on the nature of the demographics, it is reasonable to conclude that Market Segment III should be considered the most logical "target" market group, with Segment IV as somewhat less likely to become a major force in Downtown Boston's retail market. This implies that future policy work must carefully document the auto/access/parking issues so important to the members of Market Segment Group III.[15]

Thus, if Market Segment III is classified as a likely market target, this raises the total in this category to 57% of the population of the survey area. The difficulty in achieving success with this group should not be underplayed, for the competition for retail sales is high. In specific, 53% of those in Market Segment III do <u>most</u> of their shopping at

a suburban shopping center, compared with only 34% of Market Segment I or 40% of Market Segment II. The strength of the competition for this middle group is significant indeed.

7.0 NEED FOR A MANAGEMENT STRATEGY

The previous sections of this paper have set out the basic facts concerning the demographic change currently occurring for Downtown shopping in Boston, and the attributes desired and demanded by critical market segment groups. This section of the paper relates those desired attributes to actual management decisions now being faced.

The previous sections have established the reality of the fierce competition which exists in attracting the retail dollar, and the nature of the problem of over-coming the obvious advantages held by non-CBD shopping locations: the free parking that comes with cheap land; the lower perceived crime rate; the ability of private operators to achieve high levels of amenity; and their control over variety and mix of stores.

We have established that two strong market groups do exist in support of a vibrant CBD retail economy, but that it is inaccurate and downright foolish to refer to them as "captive" in any way, for they are not.

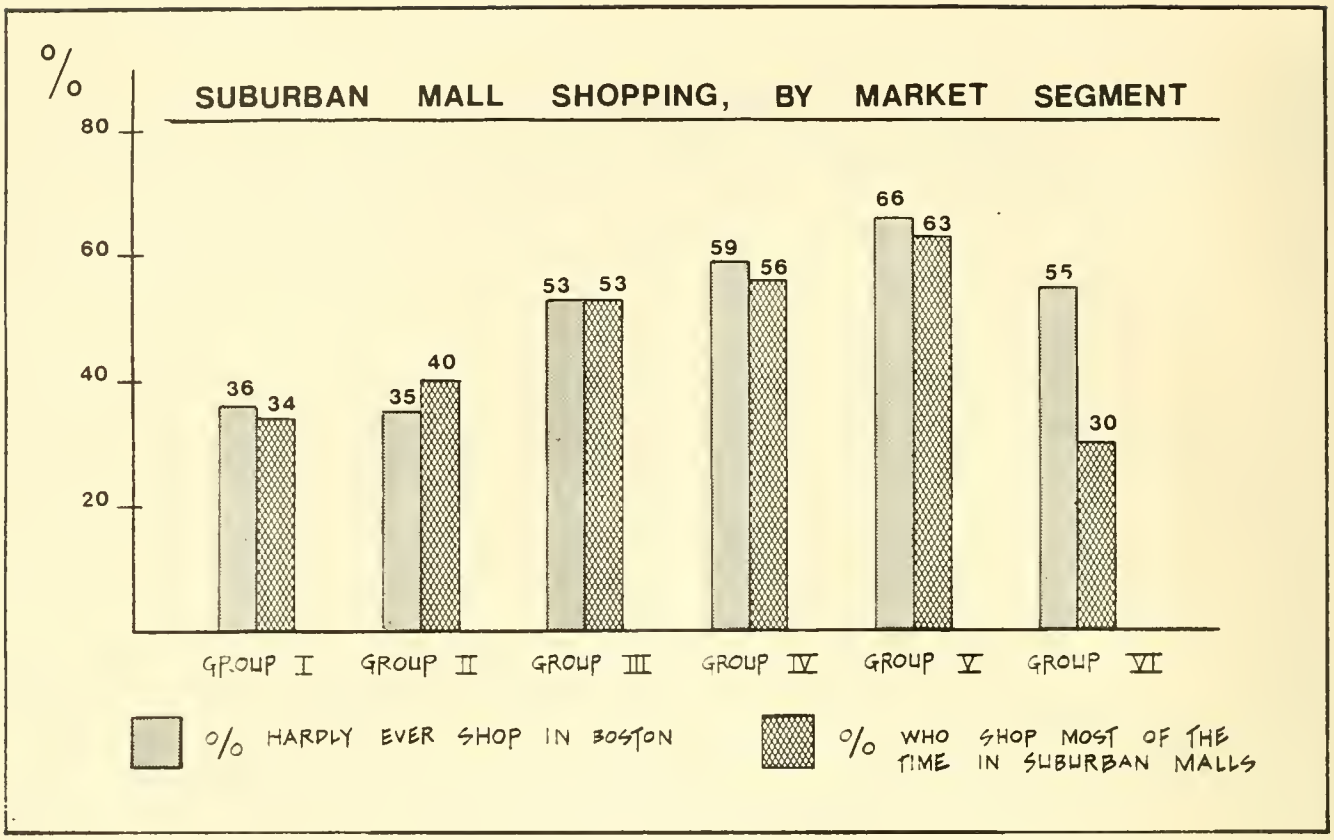
Our work at this point is sufficient to destroy any myth that the CBD retail market is dominated by the poor, who have no alternative but to shop in the area. It is sufficient to debunk any myth that the area is distortedly elite (or "gentrified") and irrelevant to the life blood of the citizens of the host city.

The composite picture being drawn is one of a thriving, successful retail area which has demographic markets oriented to it, and positively pre-disposed towards it, but, at the same time, an area fighting for its market share in a fiercely competitive metropolitan arena. This paper has shown that a sizable share of the region uses its retail services - but that the demographic sub-groups on which it depends are susceptible to significant change in their behavioral patterns.

This translates directly into a need for a competitive strategy.

The strategy, obviously enough, must be to provide the best possible amenity environment to maximize the competitiveness of the total product with its competitors, the suburban shopping centers. Figure 16 demonstrates the fact that variation in rates of "never" coming down are correlated perfectly with propensity to shop in the suburban centers (except for the poorest Group). There are several dilemmas and possible pitfalls to be faced here.

The most dangerous response is to mock the competition totally. In this philosophy, you must first destroy the village in order to save it. Many



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DOWNTOWN CROSSING MARKET ANALYSIS

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older Downtowns are taking this approach with predictable results. It is difficult to argue that a massive, windowless, multi-block structure has any more intrinsic merit being located in Downtown Stamford or White Plains than in their immediate suburban hinterlands. In fact, the option of replacing Boston's Washington Street area with an inner-oriented mall was offered to the city as early as 1965, and justifiably rejected.

But an equally grievous error is to ignore the very real strengths of the privately managed shopping center, and bury one's head in the sand with references to past glories which once existed along the streets and sidewalks of the project area. The street life of Old Vienna or Old Paris is a markedly superior experience to the life of an interior shopping mall. Of this no one doubts. But the significant resistance to the reality of the effects of recent revolution is retailing is counter-productive. The principal competition to Downtown retail sales now comes from large, well managed, controlled environments which offer retailers and customers high levels of amenity and safety which they will come more and more to demand in their chosen retail environment. The Downtown must solve the dilemmas of managing public space to make it competitive.

8.0 DILEMMAS OF PUBLIC SPACE MANAGEMENT

The data presented in Section 6.0 of this paper demonstrates the revealed sensitivity of the potential retail market to four "attributes" of the project area:

a. auto/access/parking conditions;

b. walk conditions, urban amenity;

c. security/personal safety; and

d. quality and variety of the stores.

Of these four areas, one attribute, ("a" above), is clearly to be managed by the public sector, the setting and implementing of transportation policy. Each of the other three issues demands a combination of efforts from both the public and private sectors.

The Downtown Crossing Market Analysis Project has been structured to support policy decisions involving joint public and private roles in each of four issue areas:

1. promotion and programming;

2. maintenance;

3. security; and

4. market mix.

The categories correspond to the "attributes" directly: "walk conditions/ urban amenity" is covered by a combination of promotion and maintenance; "security" is identical to the attribute "personal safety"; and "market mix" corresponds with "quality and variety of stores".

Who should manage the over-all strategy? The answer, needless to say, lies in a public-private partnership. But what partnership? Some experiences from the Downtown Boston are relevant here, in terms of the four issue areas.

8.1 Promotion and Programming

One comment heard often from retailers was a resentment expressed about the promotional programming which had occurred in the first year of the project. In fact, the programming was professionally managed by competent consultants to the City project, and differed little from event programming which the private association would soon undertake. But is was clear that despite the best of intentions, a "We vs. They" mentality had grown up. "Why are <u>they</u> presenting jugglers and clowns in front of <u>my</u> store?"

There is no dilemma concerning promotion and event programming: it must stem from the private side of the partnership. From the private viewpoint, the spector of the public agency creating the "wrong" image from the front door of a multi-million dollar department store is disconcerting. From the public side, the explanation of why you are expending public dollars on marching bands and mime troups is difficult enough on its own merit to make it a questionable activity for public subsidization. Similary, creative advertising is simply something which the professional retailer does better than the professional public administrator.

8.2 Security

The dilemmas of the provision of extraordinary levels of public safety are more problematic. A well managed space, such as Boston's Faneuil Hall Marketplace, strikes a good balance between the positive aspect visibility, and the negative feeling of being under a state of seige. In this case, the developer/operator correctly understood it was in his best interest to provide extraordinary levels of public security services. But what of the case of the multiple ownership public street? It is basically unreasonable for the taxpayers of the center city to pay for extraordinary levels of protection for a few-block area. It is basically unreasonable for the tax-paying retailers to be told to provide this most basic of public services on their own.

Solutions will vary by location. In the interior "streets" of the Gallery in Philadelphia, a solution has been negotiated. But finding a funding formula to support extra police for the normal streets of a limited area is more difficult. The BRA institutional analysis will propose a solution to this problem, as part of the Downtown Grossing Strategy work program. The issue, of course, is the allocation of extraordinary costs among the benefited parties.

8.3 Maintenance

Like security, the dilemmas of providing extraordinary levels of public maintenance center around the issue of allocation of costs: who pays? In Boston, the Faneuil Hall Marketplace has significantly revised the local citizenry's standards for public cleanliness. It is clearly a public goal to make other shopping areas as litter-free as this well managed area. But, again, the allocation of costs for such extraordinary levels of public services over the many benefited parties stands in the way - a mechanism to attain this goal must be developed.

In the Downtown Crossing Project, unforeseen events brought this issue to a head earlier than expected. Extraordinary levels of public maintenance were always understood to be critical by the project's designers and initial administrators. However, last year, tax-cutting legislation destroyed the City's ability to continue providing the unusual level of services. The response of the private sector was illustrative of the central dilemma. Leaders of the retail community saw a real and unquestioned need to respond to what was becoming an emergency: at the time they were hesitant about setting a precedent that the provision of public services was a private responsibility.

What emerged were a series of ad-hoc actions which had as their cumulative result an improvement in the level of maintenace. At first, the City provided extra trash cans which could be emptied by the abutting merchants, at their option. Later the Downtown Crossing Association created an Emergency Fund to provide a more systematic and on-going mechanism to meet what is still hoped to be a temporary crisis.

The importance of this seemingly minor event should not be minimized. For, in the reaction to an unpleasant crisis, the germ of long term solution to the management of the area was revealed. The existence of a formal organization of impacted businesses must be credited with (1) establishing good communications with the City as the crisis became apparent; (2) evolving a temporary "crisis" management response; (3) establishing a program to participate more formally in the costs of high quality services. The challenge now is to move away from "reactionary" or defensive actions, and develop a program for providing superior services on a shared cost basis, as part of a joint management program aimed at expanding total revenues.

8.4 Market Mix-Retail Planning

In the privately managed shopping center, the maintenace of a well balanced mix of commodities, or the programming of individual stores towards a total thematic mix, is an essential function of the center management. In the successful public street, the danger lurks that the entire Downtown area could end up selling shoes and blue jeans.

At first it would seem that strategic market planning would lie entirely on the private side. But in fact, it is the public sector which has the power of zoning and approval, whether applied in a traditional, passive, sense or in a non-tradition interventionist sense, as in New York's 5th Avenue incentive

zoning program. There banks are routinely told where they can locate (on second floor mezzanines), and where doors can be located (on side streets). Thus, the control of fast food proliferation, or of banks, or of shoe stores, could well be thought of as a legitimate public function. But used with a heavy hand, or without sensitivity to needs of a free market, such public intervention could quickly become highly destructive and coutner-productive.

If a "managed" Downtown were to operate as efficiently as a privately owned center, the management entity would certainly have the power to determine what "mix" of tennants would exist. Given the reality of multiple private ownership, this aspect of management remains the least obtainable of the four aspects under examination here. This does not, however, rule out effective public intervention by more traditional means, such as incentive zoning or urban renewal. A prospective developer could be told that a prestigious furniture store (or whatever is required) is a pre-condition for negotiation for the "incentive", whether that be parcel designation, extra floors of office towers, or whatever.

In either case, the management "market mix" or balance of tennant services, must be considered the least likely area for the "managed" Downtown to adopt the successful traits of the privately owned shopping center. A significant challenge exists here: for the analysis presented earlier in this paper clearly identified dissatisfaction with the quality of over-all market mix as the major concern of the single most important market segment. Immaginative solutions for public intervention must be found.

9.0 THE MARKET ANALYSIS PROGRAM

The BRA's Downtown Crossing Market Analysis Project will propose a market development strategy which incorporates the roles of (1) transportation; (2) promotion; (3) maintenance; (4) security; and (5) retail market mix; and will propose institutional change as needed to deal with each of the five policy areas.

Regional market share projections will be made for several scenarios of area management, ranging from "do-nothing" to acception optimistic assumptions concerning the quality of public area management. Based on these projections, the case for various levels of joint participation between public and private in terms of public area management will be made. From these detailed scenario forecasts, a concensus will be sought concerning the extent of private participation required, and the appropriate institutional structure for management.

10.0 CONCLUSION

The improvements made to the pedestrian environment by the Downtown Crossing Project are relevant to the lives of a broad cross section of the region's population, and even more relevant to the lives of the citizens of the City of Boston. The retail function in the downtown cannot fairly be categorized as either catering to the rich, or being relegated to the poor. The demographic groups using the area now have disproportionately large representation from the middle level of the income spectrum, while demographic trends are increasing the relative importance of both upper and lower income groups to the area. The result is a current pattern in which the area is important to many groups along the income spectrum. It is partially from this mix of services and clientele that the area draws its diversity, and retains its singular urbanity. The improvement in walking conditions has been shown to be particularly relevant to Boston, where propensity to walk is unusually high, and where the tightly-knit urban form supportive of walking is valued highly by the citizenry.

From the organization of data in terms of traditional demographic groupings, and from the organization of data into Market Segments using consumer research techniques, the paper has been able to describe sub-groups within the population which represent market strengths, and sub-groups which represent market weaknesses. State-of-the-art research techniques also make it possible to connect various candidate public improvements with the natural population constituencies most responsive to those possible improvements. Several market research techniques concur in revealing the existence of two distinct, strong market segments for Downtown retailing; of two distinct weak market segments; of a "grey area" whose future is unclear. It is now possible to document patterns of the several market sub-groups in terms of their TRENDS, their ATTITUDES, and their PRESENT SHOPPING patterns.

The existence of the two strong sub-groups, however, by no means assures the future success of the Downtown area as a competitive retail area. From the consumer research we learn that one of the two groups is demanding a higher level of quality from the walking environment; while the second strong group is concerned about an evident denigration in terms of variety of product mix offered by the Downtown stores. The same research reveals one market group whose level of Downtown shopping is constrained by unsatisfactory parking conditions; while another group is constrained by concern about

personal safety. These four concerns expressed through the survey results must all be addressed in the formulation of a comprehensive retail strategy.

The public sector cannot, and should not, try to address these policy areas alone. Of these concerns, only transportation (parking and transit access) will be addressed primarily through public intervention. The rest require implementation through a cooperative effort between public and private actors. The BRA's Downtown Crossing Market Analysis Project will address four areas for treatment by varying combinations of public and private actions:

1. Promotion and programming (walk conditions);
2. Maintenance (walk conditions);
3. Security (personal safety); and
4. Market mix planning (quality and variety).

From these building blocks will come recommendations for cooperative change in the improvement of Downtown. This paper has examined the demographic context of these proposed improvements, documenting to whom these actions are relevant.

FOOTNOTES

1. Hart Research Associates, "A Survey of Attitudes Toward the City of Boston and Its Neighborhoods," May 1977.

2. "Boston Redevelopment Authority Household Survey," conducted by the Center for Survey Research, 1980.

3 Wilbur Smith and Associates, (Herbert Levinson Principal in Charge), An Access Oriental Parking Strategy for Boston,1972

4. U.S. Census of Retail Trade (1977) as re-estimated by BRA staff, in cases where the actual shoppers goods data was deleted for reasons confidentiality. Adjustments to reflect total CBD, (as opposed CDB as defined by the census) were made using calculations presented in Table #28, "Retail Trade in Boston: Yesterday, Today, and Tomorrow" by Frances Larson, and Gregory Perkins, BRA Research Department, (DRAFT of May1981).

5. Research Analysis Corporation (1978), "A Segmentation Study on Transportation in the Boston Area," conducted for the MBTA.

6. Unpublished Data was prepared for the Boston Globe Marketing Department combining actual surveying undertaken between 1972 and 1975, and made available to the BRA Research Department. Newer data from this source is now being used in the BRA Market Research Effort.

7. This data is based on the distribution of shopping destinations reported for each origin zone. The category Downtown Boston was created by combining the Globe categories, "Washington/Tremont Street Area," the "Back Bay," and applying an expansion factor to account for the rest of Downtown.

8. Rates used in this paragraph represent BRA composite estimates compiled from several data sources.

9. Vernon, Raymond. "The Changing Economic Function of the Central Business District," 1959 Committee for Economic Development.

10. Wilson, J.Q. and Banfield, E.C. (1964). "Public-Regardingness as a Value Premise in Voting Behavior," American Political Science Review. The theory has been applied to the support of public transportation in several works, including, "An Analysis of the 1968 Rapid Transit Vote in Los Angeles," by Brian Stipak, University of California, 1972; "The Politices of Transportation in Atlanta and Other Cities, by Coogan, et al. Harvard Law School, 1969; and in "Social Class as a Relevant Factor in the Usage of Public Transportation," by Coogan, 1969, unpublished thesis, Harvard University Department of Social Reactions.

11. Abramson, Barry. "Preliminary Market Analysis of Central Boston Retail Sector ," (April 1981) Boston Redevelopment Authority Downtown Crossing Project.

12. Karash, Karla. "A Market Segmentation of the Primary Downtown Crossing Market Area," prepared for the Boston Redevelopment Authority Downtown Crossing Project. November 1981.

13. This statistical procedure is described most fully in Karash, K. "Retail Area Choice: A Conceptual Model and Empirical Findings, (1980), Unpublished paper for Massachusetts Institute of Technology, Department of Civil Engineering, Transportation Division.

14. This phenomenon is reported in the Hart Poll 1977 and examined in further detail in a study of public attitudes by Concensus Inc., for the City of Boston, 1978.

15. The work program of the BRA's Downtown Crossing Market Analysis Project has been designed to include a thorough examination of the role of parking as a determinant factor influencing retail sales. For a description of some of this work see "The Influence of Parking on CBD Sales: A Case Study," by William Loudon, prepared for the 61st Meeting of the Transportation Research Board, January 1982.

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